

# CHINA'S STRATEGIC AND COMMERCIAL RELATIONS WITH PAKISTAN: OPPORTUNITIES, CHALLENGES AND PROSPECTS

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## *Abstract*

*This paper examines the principle propositions of current literature on China's strategic and commercial relations with Pakistan vis-à-vis China's rising demand for energy needs to become an economic power as well as to counter India's hegemony. Both states have developed bilateral relations in line with their domestic and international political environment. The paper also highlights the interactive proposition of China's relations with Pakistan, like the current debates on the implications of China's relations with Pakistan for regional and international actors. In this backdrop, points of differences exist in India and the US politicians, policy makers and academics towards China and Pakistan strategic relations. The paper responds to the questions: Why China-Pakistan strategic partnership grew and what were the opportunities, challenges and prospects? How the successive governments both in China and Pakistan maintained the partnership? Has the nature of China-Pakistan strategic partnership transformed and what were the determinants?*

**Keywords:** China's Strategic and Commercial Relations, Opportunities, Challenges and Prospects

## **Introduction**

China's state policy has recognized Pakistan's potential role in its long dream for national rejuvenation during the Cold War and later. Beijing has deepened defence ties with Pakistan on overland routes through China-Pakistan-Economic-Corridor to exploit maritime routes conducting regular naval exercises to date in the Arabian Sea.<sup>1</sup> China needs Pakistan to modernize their maritime vessels and both are aware of exploiting the cheapest land routes aiming at economic development. The famous lines "Sweater than Honey, Higher than Mountains" regarding China-Pakistan relations are steadily gaining ground despite the regional and international challenges from India, Japan and the US.

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## China's Strategic Interests in Pakistan during the Musharraf Era

In 2001, when the situation worsened in Chinese province of Xinjiang, President Musharraf went to China and visited Xinjiang and asked Muslim community to cooperate with the Chinese government. When terrorists, led by Osama Bin Laden attacked World Trade Centre in 2001, American forces attacked Al Qaeda in Afghanistan. China also had strategic interests in Afghanistan. Defence relations between China and Pakistan increased further after the US attack on Afghanistan and war on terror. Both Pakistan and China exchanged high level military delegations and they shared very identical views for the future. In 2003, both countries conducted maritime exercises and it was the first time in the history of China when People's Liberation Army (PLA) participated in any kind of naval exercise with a foreign country.

When Chinese premier visited Pakistan in 2003, both countries officially tried to reach a free trade agreement. In 2004, Pakistan extended full market status to China. After giving this status to China, both countries have increased their cooperation in the field of energy and agriculture. Free trade agreement between China and Pakistan was signed in 2006. After this agreement, China-Pakistan trade activities and volume of trade increased but on the other hand Pakistan's exports were reduced as compared to its imports from China.

In 2005, Pakistan and China signed a treaty of friendship and good relations. This was a serious treaty in its nature, because word "strategic" was used in this treaty for the first time in the bilateral ties of both countries. According to one of the clauses of the treaty, "Both countries shall actively develop and consolidate their bilateral strategic ties of good neighbourly friendship and mutually beneficial cooperation". Chinese also assured Pakistan that China would protect Pakistan's territorial sovereignty. According to the treaty of friendship, China would protect Pakistan and support Pakistan over border issue with India.<sup>2</sup> Both countries agreed on strengthening their bilateral ties holding that, mutual and good neighbourly relations of both countries were not only in favour of China and Pakistan but were also vital for regional and international peace and stability. Both countries agreed to engage in a strategic dialogue according to international law and UN Charter.

China and Pakistan announced that they would adopt the policy of non-encroachment and follow the boundary agreement. As the world entered 21<sup>st</sup> century, historical events took place in the bilateral ties of China and Pakistan. President Musharraf visited China in February 2006 and signed an agreement of peaceful cooperation and nuclear application with China. Chinese government issued a special stamp on completion of 55 years bilateral ties of both countries. President Musharraf signed 15 MOUs with Chinese government during his state

visit to Beijing. In the same year, special harvest policy was promoted to improve economy. China offered zero tariffs on 763 items while Pakistan extended zero tariffs over 464 items to China. China agreed to establish a navy cell in Pakistan just for the purpose of upgrading Pakistan navy. Chinese and Pakistani engineers were jointly making JF-17 thunder aircraft and they established advanced labs in Pakistan. In Missile technology China always remains a big contributor in Pakistani missile program. In the 1990s, China exported missile technology to Pakistan despite the US pressure. China supplied M-9 and M-11 missile systems to Pakistan. With the help of Chinese engineers Pakistan successfully tested Shaheen-1 missile and China supplied North Korean Missile technology to Pakistan.

Pakistan and China are heading towards a new era of long-term strategic partnership, which has included different types of cooperation in different fields; their strategic cooperation has very significant impact on regional and international security. During the Musharraf regime, economic ties have improved more as compare to the previous governments. Trade between China and Pakistan increased from one billion US dollars to seven billion dollars. China announced its support to invest in Gwadar deep seaport which is strategically very important for both China and Pakistan.

In 2008, Pakistan got F-22 P frigate to develop its navel capabilities. China was not hesitant to transfer technology to Pakistan unlike the US. The US has always been reluctant to transfer technology to Pakistan though the US provides 30 per cent of Pakistani defence needs. Pakistan successfully completed JF-17 Thunder aircraft which is locally built in Pakistan with the help of China; Pakistani dependence on the US has decreased as a result of increasing Pakistan's defence cooperation with China. After Musharraf visit to China, Chinese President Hu Jin Tao reciprocated with a visit to Pakistan and announced that, China-Pakistan strategic partnership will continue even if there is any international pressure. Furthermore, he said that the changing scenario in international politics would not damage China's strategic relation with Pakistan. Pakistan has always endorsed one China policy and China has reiterated that as per the treaty of friendship, it would respect Pakistan's national interest and its territorial sovereignty in the case of any foreign aggression. Both countries agreed not to join any bloc or alliance which would affect their bilateral relations and assured each other that they would never let their soil be used against each other. The treaty also strengthens the military ties. Terrorism, extremism, drug-trafficking, cooperation in education and financial institutions have also been increased.

Pakistan has a location in the fulcrum of South Asia that can serve Chinese purpose in this region comprehensively. Major powers have intense strategic competition to become the hegemon of this region. India has desired to become

influential in the region. China has kept a very close eye over Indian activities in order to contain its hegemonic behaviour. India never accepted Chinese role and its influence in South Asia. India signed civil nuclear deal with the US to hedge China in the region in 2005 under the presidency of George W Bush. The US turned down Pakistan's request to sign Indian type of nuclear deal. According to the deal, India and the US agreed for the enhancement of satellite technology.<sup>3</sup> Dr Charles D. Ferguson, science and technology fellow at the council for foreign relations had said that this deal was not based on equality with Pakistan. Pakistan rejected Indo-US nuclear deal by saying that it would disturb the balance of power in the region, while India rejected Pakistani claim.

After Pervez Musharraf era, the civilian government came to rule in Pakistan in 2008. Both, Prime Minister and the President, went to China on their official visits. When in 2007, Singapore got a contract to run the Gawadar port, the US opposed it and repeatedly asked the Singapore government to stay away from the project. President Zardari cancelled that contract and handed over the Gwadar port to Chinese authority.

China stands to benefit with access to Central Asian states through Pakistan. Pakistan could reduce the distance of Chinese goods to Africa and CARs through Pakistan. Through CPEC, Chinese distance to Africa is reduced by up to 5000 miles. Geographically, China is located in East Asia. So for Chinese economy, Pakistan is one of the best routes to reach out to Central Asia and Africa. Growing Indian Iranian partnership has serious repercussions for China and Pakistan<sup>4</sup>, So both Pakistan and China are cooperating strategically. China is also securing its oil routes to Central Asian states and African countries. India is investing millions of dollars on Iranian port of Chahbahar which is very close to Pakistani Gawadar port. China has shown its serious concern over Indian investment in Chahbahar. China and Pakistan agree that Gawadar port can fulfil the mutual interest of both countries. However, China-Pakistan friendship always remains a point of tension for India. India's sole objective behind developing Chahbahar port of Iran was to reach out to Afghanistan and Central Asian states by ignoring Pakistan. By using Chahbahar port, India can achieve its objective to some extent.<sup>5</sup>

During the Xinjiang riots, Pakistan army took some measures to stop non-state activities in the Xinjiang province. Again in 2009, when riots erupted in Xinjiang, Pakistan supported the Chinese stance and played a pivotal role in OIC not to take notice of Xinjiang in the annual summit. Even Pakistani religious parties did not take notice of Xinjiang riots, JUI-F and JI supported Chinese stance over Xinjiang. During Chinese premier Win-jio Bao's visit to Pakistan in 2010, an agreement was signed to build Pakistan-China friendship centre in Islamabad. This visit inked 17 government and 25 private agreements with Pakistan. In 2011, Chinese foreign direct investment to Pakistan was 1.36

billion dollars. China inked agreements with Pakistan to start work on Pakistani transport system and in the energy sector.

In 2010, when the then foreign minister of Pakistan Shah Mehmood Qureshi visited China both countries went a step up for regional peace and stability. In reciprocation, Chinese defence minister visited Pakistan and signed defence agreements and announced joint exercises. China also announced that it would provide four training air-craft and Yuan 60 Million to Pakistan.

China's vice Premier Zhang Dajing visited Pakistan in 2010. This visit provided for Pakistan to buy three Chinese sub-marines. President of Pakistan gave China-Pakistan strategic partnership further official recognition. China established some of its factories in Pakistan to help local Pakistani manufacturers. They trained local Pakistani producers. China is also supporting Pakistan in locally making its equipment related to counter terrorism.

China and Pakistan have supported the US led war against terrorism. But, on May 2, 2011, US Marines violated Pakistani airspace and raided a compound in Abbottabad.<sup>6</sup> China responded in the favour of Pakistan by saying that Pakistan's territorial integrity should not be violated by any country. China was watching the conditions after Abbottabad operation and assured its full support to Pakistan. In a statement issued by Chinese foreign ministry, China said that any attack on Pakistan or its territory would be considered an attack on China. Every country should give respect to Pakistani territorial integrity.<sup>7</sup> China asked Washington to respect Pakistani sovereignty, and any pre-planned move against Pakistan would be considered a move against Beijing. The US received warning from Beijing for the first time, and China for the first time announced such kind of support for any of its neighbouring countries. So, operation against Osama Bin Laden could not affect bilateral ties of China and Pakistan. China kept supporting Pakistan and asked the world to do more to assist Pakistan to fight against terrorism.

Six months after the Abbottabad operation on November 25, 2011, the US top commander in Afghanistan called on (COAS) General Ashfaq Pervez Kiyani and discussed the border situation. Interestingly, within 24 hours of the meeting US/NATO helicopters violated Pakistani airspace and attacked a Pakistani check post along with Pak-Afghan border that left 24 Pakistani army troops dead and 14 injured. This was the first time that NATO forces directly attacked Pakistani forces. The whole world condemned this attack including Russia.<sup>8</sup> They called it an attack on territorial sovereignty. Defence committee of National Assembly and senate of Pakistan rejected ISAF/NATO justification and called it an attack on Pakistani sovereignty. ISAF commander called the incident unintentional and for self-defence. Pakistan announced to block NATO supply to Afghanistan through Pakistan. Pakistan also ordered the US to leave Shamsi airbase located in Baluchistan, which the US was using against the Taliban. China supported

Pakistani stance over the issue and called it an attack on Pakistan's sovereignty. China condemned the attack and called it a violation of international obligations.

In 2013, when Chinese tourists were killed in Gilgit Baltistan, Pakistani officials went to China to discuss future perspective about security of Chinese tourists and workers in Pakistan. All these examples show the level of understanding and mutual cooperation between both countries. Pakistan named 2009 the year of Pakistan-China friendship. State bank of Pakistan issued a commemorative coin to highlight the friendship of both states.

### **China-Pakistan Economic Corridor (CPEC)**

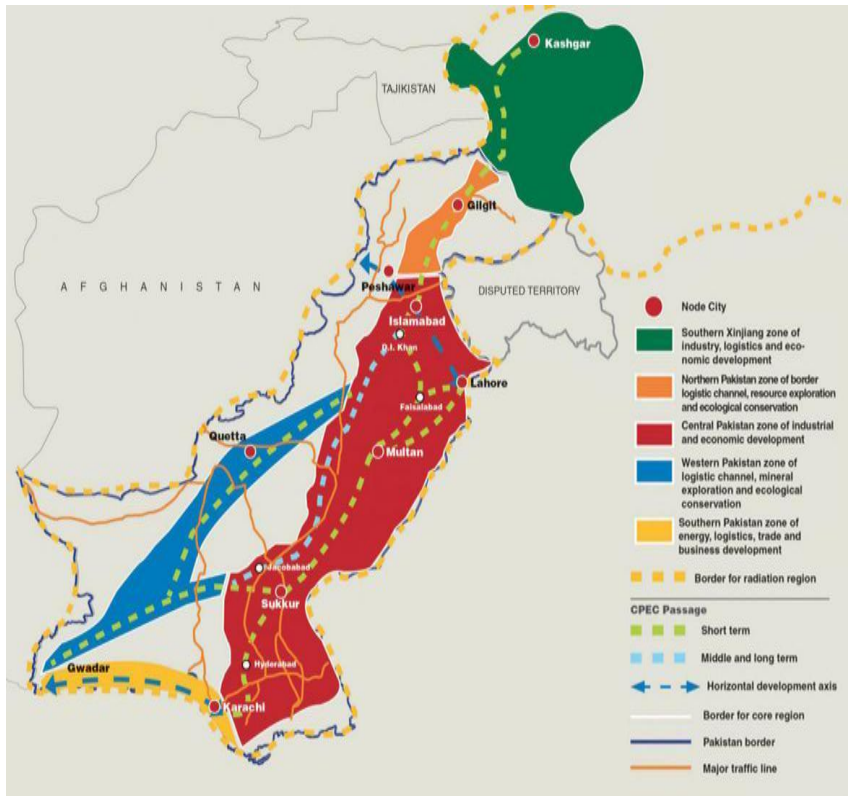
Prime Minister Nawaz Sharif went to China on his first official visit after assuming office of Prime Minister. During his visit to China, he signed dozens of MOUs with Chinese companies in the field of infrastructure and energy. China's president Xi Jinping paid an official visit to Pakistan in April 2015. He visited Pakistan for the first time as the President of China and inaugurated US\$ 51 billion plans in Pakistan. CPEC one of the state-of-the-art strategic projects would increase bilateral trade. This project is worth more than 51 billion US\$ initially in Pakistan and is an extension of One Belt and One Road Initiatives (OBOR).

China's state policy of the economic corridor has further commented the China-Pakistan relations in the aftermath of 9/11 which witnessed unsteady Pak-US relations resulting in dwindling defence support and creating a vacuum. The gap thus created was happily exploited by China by deepening defence and commercial ties. Pakistan's geo-strategic location in South Asia has given China an opportunity to cater for its energy needs via Arabian Sea in the Indian Ocean and easy access to different parts of Central Asia as well.<sup>9</sup> Former president Hu Jintao said that, "China can give up gold but not its friendship with Pakistan". Current Chinese president Xi Jinping said during his first trip to Pakistan in 2015, "both China and Pakistan are iron brothers and I am visiting Pakistan first time as a president, but it seems like I am visiting my second home."<sup>10</sup>

China's official policy of CPEC has made the world judge China's economic power. Total GDP of Pakistan would be US\$ 4.2 trillion by 2050 which is currently US\$ 988 billion. CPEC would cover almost all the sectors of Pakistan's economy like, economic development, defence, roads, security, agriculture and infrastructure. According to Pakistani government, 700,000 new jobs would be open for the people of Pakistan in different sectors.

Details of the projects under CPEC are given below;

Pic 1: Map of CPEC



Source: <https://i.dawn.com/primary/2017/05/5919736f888d5.jpg>

## Social Sector

In social sector, details of the projects are,<sup>11</sup>

- People to people contacts
- Transfer of knowledge in different sectors.
- Establishment of Pakistan academy of social sciences.
- Transfer of knowledge in education.

## Energy Sector

China would also be working rapidly in the energy sector to overcome energy crisis in Pakistan. Currently, there are many projects related to energy, which are about to complete, and some have already been completed and are contributing in energy sector. Details of the projects under the field of energy sector are given below;<sup>12</sup>

**Table - 1: Energy Sector Projects under CPEC**

No	Name of the project	Project's Cost in (M \$)	Megawatt
1	Sahiwal Coal-fired Power Plant, Punjab	1320	1912.2
2	Coal-fired Power Plants at Port Qasim Karachi	1320	1912.2
3	Quaid-e-Azam 1000 MW Solar Park, Bahawalpur	1000	1301
4	UEP Wind Farm, Jhimpir, Thatta	99	250
5	Suki Kinari Hydropower Station, Naran, Khyber Pukhtunkhwa	870	1707
6	Thar Mine Mouth Oracle Power Plant & Surface mine	1320	3000

These are major projects under the CPEC regarding the energy sector. There are other small projects as well relating to energy, which would add thousands of MW to the national grid by 2020.<sup>13</sup> Government of Pakistan has announced that energy crisis in Pakistan would be eliminated soon as many power plants under the CPEC are ready to use.

### Infrastructure Development under CPEC

Basic aim behind Chinese efforts to upgrade Pakistani infrastructure under CPEC is that through CPEC, China would have direct access to the strait of Hormuz by using Pakistani soil. CPEC is basically a 3218 KM road project which would connect Kashghar, a Chinese territory, to Gawadar. It consists of railway routes, highways, motorways and pipelines, which would be completed in the next five years. Actual cost related to roads which would be operational by the end of 2020 is almost US\$ 75 billion. Details of the projects under CPEC related to infrastructure are given below;<sup>14</sup>

**Table -2: Infrastructure Projects under CPEC**

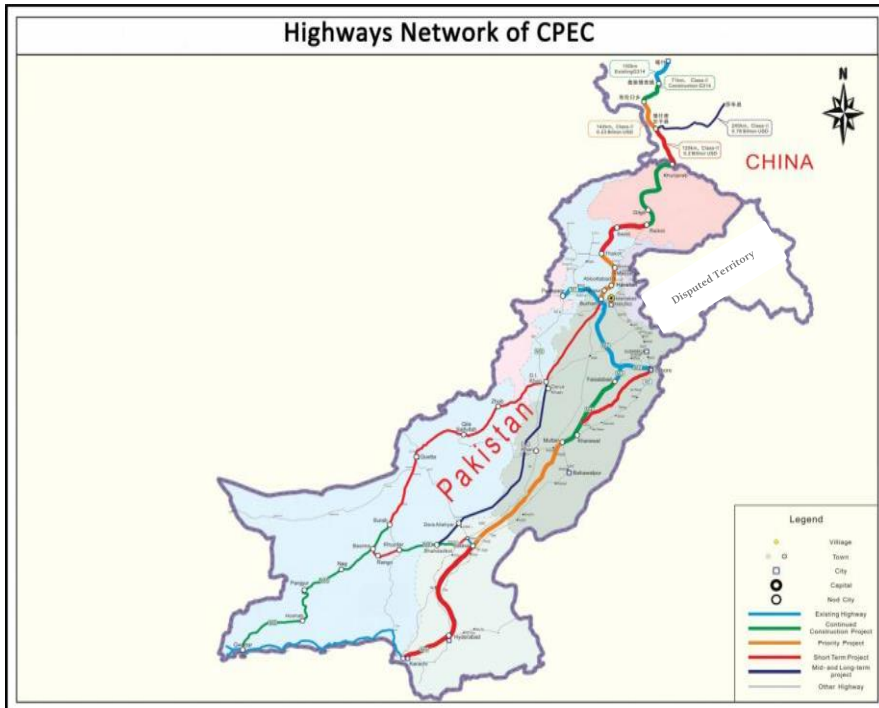
No	Name of the project	Length (KM) Estimated	Cost US\$ million
1.	KKH Phase II (Thakot - Havelian Section)	118	1,315
2.	Peshawar-Karachi Motorway (Multan-Sukkur Section)	392	2,889
3.	Khuzdar-Basima Road N-30	110	19.19 B Rs
4.	Upgradation of D.I.Khan (Yarik) - Zhob, N-50 Phase-I	210	76 B Rs



5.	KKH Thakot-Raikot remaining portion	N-35	136	-
6.	Expansion and reconstruction of existing Line ML-I		1,830	6808
7.	Havelian Dry Port		-	65

Source: <http://cpec.gov.pk/infrastructure>

Pic -2: Highways of CPEC



Source: <http://cpec.gov.pk/maps>

### Projects in Gwadar under CPEC

Gwadar has been the main hub for development under CPEC. Main focus of China has been Gwadar, where China has been investing millions of dollars in the development of the port. Gwadar is a strategic port, which is very important for China and Pakistan. China has direct interest in the development of Gwadar port because China can easily access Africa and other major regions by using this port. Chinese goods can easily go to Africa and Central Asia through the Gwadar port. Chinese distance reduces by 5000 kilometres by using Gwadar port. Currently, several projects are underway with the help of China; detail of the projects is given below.<sup>15</sup>

**Table -3: Projects in Gawadar under CPEC**

No	Name of the project	Estimated Cost (US\$ M)
1	Gwadar East-bay Expressway	168
2	New Gwadar International Airport	230
3	Constructions of Breakwaters	123
4	Dredging of Berthing Areas & Channels	27
	Development of Free Zone	32
5	Pak-China Friendship Hospital	100
6	Pak-China Technical and Vocational Institute at Gwadar	10
7	Gwadar Smart Port City Master Plan	04

Source: <http://cpec.gov.pk/gwader>

### Provincial Projects under CPEC

China is also working with every province to keep actively engaged in CPEC. Almost every province has a share in the projects of CPEC. With the beginning of CPEC, Pakistan's certain provinces displayed their serious concerns about the details of projects. Chief Minister of Sindh and KP showed their concerns before the Prime Minister. All provinces agreed on the following projects.<sup>16</sup>

- Ketu Bunder Sea Port Development Project
- Naukundi-Mashkhel-Panjgur Road Project Connecting with M-8 & N-85
- Chitral CPEC Link Road from Gilgit, Shandor, Chitral to Chakdara
- Mirpur-Muzaffarabad – Mansehra Road for Connectivity with CPEC Route
- Quetta Water Supply Scheme from Pat Feeder Canal, Balochistan
- Iron Ore Mining, Processing & Steel Mills Complex at Chiniot, Punjab

### Special Economic Zones

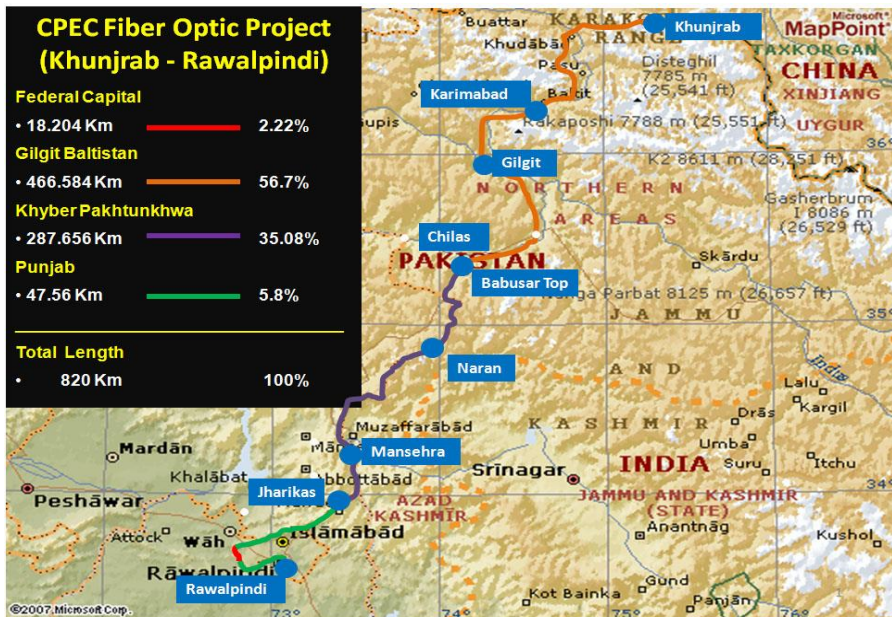
Chinese and Pakistani governments have agreed to establish special economic zones, in different areas of the country. Details of the special economic zones are given below.<sup>17</sup>

- Rashakai Economic Zone, M-1, Nowshera
- Dhabeji Special Economic Zone
- Bostan Industrial Zone
- Allam Iqbal Industrial City, Faisalabad

- ICT Model Industrial Zone, Islamabad
- Industrial Park, Pakistan Steel Mills, Port Qasim
- Mirpur Industrial Zone, AJK
- Mohmand Marble City
- Moqpondass SEZ Gilgit-Baltistan

All of the above are special economic zones which are being established by Chinese and Pakistani governments to boost up economic activities in the country. They are vital for economy of Pakistan to come out from its instability. Local industry will benefit more after the completion of the projects. Some special projects are also included in CPEC like optical fibre cable system, pilot project of digital terrestrial multimedia broadcast and early warning system. Fibber optical system is a countrywide project; it's not specific for any single province. Detail of the project can be seen in the following picture.

**Pic -3: CPEC Proposed Fibber Optics Network**



Source: <http://cpec.gov.pk/maps>

## Agriculture Sector

Pakistan's 70% population is dependent on the agriculture sector. China announced a special package for agriculture from grass root level to higher level. China would work to increase the level of cultivation and per acre average. China would provide seeds, pesticides, and other raw material to enhance Pakistan's exports. The recent performance of agriculture sector has not been

satisfactory due to energy crisis and poor quality of seeds. China would bring its own means to increase the quantity and quality of Pakistan's agricultural sector. Chinese logistics companies would also work for the early delivery system for the Pakistani products to market.

Chinese agriculture enterprises would be in touch with Pakistani agriculture department to monitor the activities of local manufacturers. China has proposed a plan to Pakistan to bring its hybrid way of cultivation, livestock breeding system and irrigation system into Pakistan to increase the economic volume. China would establish some projects specifically for agriculture sector to enhance the cooperation in the field of agriculture sector in Pakistan. Details of the projects are given below.<sup>18</sup>

- NPK fertilizer plant.
- Planting and harvesting machinery.
- Local production of tractors.
- Meat processing plant.
- Milk processing plant.
- To protect fruits and vegetables, china would also build storage houses in Gawadar and Islamabad.

### **India's Security Concerns about CPEC**

India has raised its concerns about CPEC at every platform stressing that it is a violation of international border as it passes through the disputed region of Kashmir. Pakistan has not only rejected Indian claims but has offered India to join CPEC maintaining that its economic corridor is not against any country. Pakistan further held that CPEC was open for every country and that those who are against this project are against the development of Pakistan. India's concerns about CPEC became very obvious when two months after its announcement, Indian premier Modi met Chinese, president Xi Jinping and told him about Indian concerns, which were rejected by China. Stockholm research peace institute a think tank revealed that, India was not happy with the growing Chinese influence in Pakistan, especially in the disputed region of Gilgit Baltistan. Indian defence analysts intimated their government that with the development of the Gawadar port, Indian navy would remain under observation by both Chinese and Pakistani authorities. Both countries can easily monitor Indian movement in the region that would create huge security concerns for India.

India has been strictly opposing the long-term plan of CPEC, despite assurances from Pakistan and China. India has refused to join the corridor many times. India has shown its concerns with the project maintaining it passes through Gilgit-Baltistan which is claimed by India. CPEC would develop the defence sector of Pakistan. Pakistan has established its special force to protect

the projects under CPEC. Gwadar has been a major strategic concern for India, which made India move up to Iran for the development of Chahbahar. India has invested in Chahbahar port to compete Gwadar. In a nutshell, Pakistan-China strategic partnership and CPEC have raised serious concerns for India's national political pundits and the military.<sup>19</sup>

### **US Strategic Concerns about CPEC**

As China is improving its relations with the South Asian states, the US is carefully monitoring the developments in the region especially China's relations with Pakistan at the strategic and commercial levels as both China and Pakistan are "Iron Clad" now. US is irked by China-Pakistan strategic relations because China has become the US strategic competitor. Daniel Markey a renowned expert on South Asia has advised the US policy makers to find out alternative avenues which can help broaden US-Pakistan relations, Markey advises, should come out from "finger-wagging" towards "problem solving".<sup>20</sup>

With the increasing power and influence of China in South Asia experts have observed that a rising power such as China could challenge the primacy of the US in the long-run. One of the important independent variable affecting the US strategic interests according to leading theorists is the China factor. Although, China has time and again assured the US that it would not challenge the position of the US but the way China is enhancing its economic and military power resulting in expansion of its economic and military clout in Asia is not very assuring. In this regard, China's belt and road initiative, establishment of AIIB and its role in regional organizations such as SCO and BRICS show its increasing prominence in the world order.

As per the Power Transition theory, if the established power is not satisfied with rising power it will lead to more competition and containment by the established power. This phenomenon can be explained by taking the example of conflict between Athens and Spartans. Thucydides has explained that the war between Athenians and Spartans was unavoidable because Athenians were growing in power.<sup>21</sup> Similarly, just in few decades, China's economic and military power has grown and has worried the US, its allies and strategic partners. Policymakers and academics inside and outside the US think China is a major strategic threat in near future. Offensive realists such as John J. Mearsheimer and others observe intense security challenges and escalation to war between China and its rivals. These offensive realists see China and the US emerging as adversaries.<sup>22</sup>

The power transition theory foresees conflict with a rising power because the rising power tends to change the rules of the system and institutions by force.<sup>23</sup> Graham Allison writes that a rising power challenges the established power calling it 'The Thucydides's Trap'. Allison provides examples of 12 out of

16 wars that were fought between a rising and established power and he thinks the US and China are moving towards the trap.<sup>24</sup> This indicates that growing power will ultimately tend to upset the current rules of the system which in turn provoke hostile actions and make conflict inevitable.

In this backdrop, the US politicians, policy-makers and experts have continuously criticized China's relations with Pakistan at the commercial and strategic level. For example, the US Principal Deputy Assistant of State for South and Central Asia, Alice Wells has criticized CPEC. Wells viewed CPEC to hang over Pakistan's economic development potential. On another occasion US Secretary of State Mike Pompeo has expressed concern that IMF fund may not provide pay off to lenders in case of CPEC.<sup>25</sup> The case of China's relations with Pakistan is an indication where the US contestation for rescuing its primacy in Pakistan against China breeds Sino-US strategic competition in South Asia and beyond.

## **Conclusion**

China-Pakistan strategic relationship has been strengthening from the very beginning. Each government in both countries has promoted common political vision for peace and security in South Asia and beyond, enhanced defence cooperation and signed economic projects. China considers Pakistan a gateway to connect Asia with other landmasses. China's economic rise has created opportunities of economic integration with other regions. China-Pakistan strategic partnership will help overcome Pakistan's energy crisis. However, India has tried to sabotage the CPEC project creating insecure environment in Pakistan. Government of Pakistan has provided evidence of terror financing from India's state agencies. China-Pakistan strategic partnership has an immense potential to seek willingness of other regional and international state and non-state business actors to invest in CPEC. Middle Eastern and Central Asian states are interested to invest in the Chinese led economic Belt and Road Initiative.

However, the study finds that other actors such as the US fear the current Chinese strategic developments in Pakistan. This is because the US current policies are guided by observing China with offensive realism which presumes that a rising power could challenge a status quo power in the long-run. In this backdrop, the US top politicians, experts have criticized China's strategic relations with Pakistan.

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